

Business Plan

Maple Street Coffee Co.

Prepared by: Sarah Okonkwo, Owner

Province: Ontario, Canada

Funding Request: \$150,000 CAD

Prepared for: Business Development Bank of Canada / TD Canada Trust

Date: April 2024

20+ PAGE PLAN

3-YEAR PROJECTIONS

\$150K REQUEST

BDC READY

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Executive Summary

OVERVIEW

Maple Street Coffee Co. is seeking \$150,000 in term financing to launch a specialty coffee and lunch counter in downtown Kingston, Ontario. With a committed personal investment of \$35,000, documented supplier agreements, and a signed lease letter of intent, this plan demonstrates strong unit economics, a defined customer base, and a clear path to profitability within 14 months of opening.

Business in Brief

Maple Street Coffee Co. will operate from a 1,200 sq ft leased space at 142 Princess Street, Kingston, targeting downtown office workers seeking premium espresso, fresh grab-and-go lunches, and a welcoming environment from 6:30 AM to 4:00 PM weekdays and Saturday mornings. The concept is differentiated from chain competitors through single-origin roasts, locally sourced food, and an extended afternoon window no existing independent competitor offers. Downtown Kingston office occupancy is up 23% since 2022 (KEDCO, 2023).

Key Financial Highlights

\$150,000	\$252,569	Month 14	\$35,000
Total Funding	Year 1 Revenue	Break-Even	Owner Equity

The owner, Sarah Okonkwo, brings eight years of specialty food service management experience including GM responsibility for two Starbucks locations at combined \$2.4M annual revenue. She holds the BDC Small Business Management Certificate (2023). This plan documents all financial assumptions, market research, and operational plans in the format required for commercial lending evaluation.

SECTION 02

Business Overview

Legal Structure & Registration

ASSUMPTION	BASIS / DOCUMENTATION
Legal Name	Maple Street Coffee Co. Inc.
Business Type	Ontario Corporation — incorporated March 2024
CRA Business Number	89234 7821 RT0001
Operating Address	142 Princess Street, Kingston, ON K7L 1A6
Phone / Email	(613) 555-0192 sarah@maplestreetcoffee.ca
Fiscal Year End	December 31 / HST registration pending upon opening

Mission & Vision

Mission: To be Kingston's favourite morning ritual — delivering exceptional coffee, honest food, and a space where the downtown community feels genuinely welcome.

Vision: A profitable, beloved single-location coffee business within three years, with the option to expand to a second location by 2027.

Business Model

Revenue is generated through three streams: (1) espresso and beverage sales (~65% of revenue); (2) grab-and-go food — sandwiches, salads, and baked goods from local suppliers (~28%); and (3) catering packages for downtown office meetings (~7%). All transactions processed via Square POS with integrated loyalty program.

SECTION 03

Market Analysis

Target Market & Size

The primary customer is the downtown Kingston professional – aged 25–50, office-based, 4–5 days per week in the core. Secondary segments include Queen's University graduate students, Kingston General Hospital staff (6 blocks away), and provincial government employees. The Kingston BIA estimates 11,400 daily workers within a 10-minute walk of Princess Street. The Canadian specialty coffee market grew at 8.4% CAGR from 2018–2023 (Statista). No new independent specialty coffee shop has opened in the downtown core since 2021.

COMPETITIVE INSIGHT

The two nearest independent competitors – Sleepless Goat and Toucan Cafe – both close by 2:00 PM, leaving the afternoon office segment entirely underserved. Maple Street operates until 4:00 PM specifically to capture this gap.

Competitive Landscape

COMPETITOR	DISTANCE	CLOSES	FOOD	KEY WEAKNESS
Tim Hortons (Princess)	0.2 km	10 PM	Limited	Low quality; no atmosphere
Starbucks (King St)	0.4 km	8 PM	Packaged	Chain pricing; impersonal
Sleepless Goat	0.6 km	2 PM	Good	Closes too early
Toucan Cafe	0.7 km	2 PM	Moderate	Cash only; limited seating
Maple Street (ours)	—	4 PM	Local	New entrant – mitigated below

SWOT Analysis

STRENGTHS

- Premium single-origin product differentiation
- Owner's 8+ years food service management
- High-traffic Princess Street location
- Extended hours vs. all independent competitors
- Local supplier relationships established

WEAKNESSES

- No brand recognition at launch
- Single-location operational dependency
- Thin margins inherent to food service
- Owner-operated: key-person risk
- Revenue ramp-up period before capacity

OPPORTUNITIES

- Growing downtown office occupancy (+23%)
- Afternoon segment entirely underserved
- Catering to KGH and government offices
- Loyalty program drives repeat visit cadence
- Second location feasibility at Year 4

THREATS

- New specialty competitor entering market
- Rising wholesale coffee bean costs
- Economic downturn reducing discretionary spend
- Lease renewal uncertainty at Year 5
- Staff turnover in hospitality sector

SECTION 04

Products & Services

Product Mix

CATEGORY	ITEMS	PRICE RANGE	EST. % REVENUE
Espresso & Beverages	Espresso, lattes, cold brew, pour-over, tea	\$4.50-\$8.50	65%
Food – Grab & Go	Sandwiches, salads, baked goods, snacks	\$6.00-\$16.00	28%
Catering Packages	Office coffee service, meeting trays	\$85-\$350/order	7%

Supplier Relationships

Coffee sourced from Pilot Coffee Roasters (Toronto) at \$19.50/kg single-origin and \$16.80/kg house blend (wholesale agreement in place). Food supplied by Golden Grain Bakery and Fresh Route Foods (Kingston) – both with signed letters of intent. Local sourcing reduces logistics costs and aligns with the brand's community positioning.

Pricing Strategy

Pricing is 8–12% above Tim Hortons and 10–15% below Starbucks – a quality-independent middle ground supported by the in-store experience. No promotional discounting. The Square Loyalty program rewards frequency with a complimentary beverage on every tenth visit.

SECTION 05

Marketing & Sales Strategy

Pre-Opening Campaign (Months -2 to 0)

Organic Instagram/Facebook content documenting the build-out; geo-targeted Meta ads (\$500, 2 km radius); Kingston Downtown BIA new-business newsletter feature; and a soft-launch event for 80 invited professionals and media contacts.

Ongoing Acquisition Channels

CHANNEL	TACTIC	MONTHLY BUDGET	PRIMARY GOAL
Google Ads	Search: "coffee downtown Kingston"	\$200	New customer acquisition
Meta Ads	Retargeting + lookalike	\$150	Frequency & awareness
Square Loyalty	1 pt per \$1 – free drink at 10	\$0	Retention & repeat visits
Office Catering	Direct outreach – 40 offices nearby	\$50	B2B revenue stream
Organic Social	Instagram: 3 posts/wk + daily stories	\$0	Brand building

REVENUE CALCULATION METHOD

BIA foot traffic 2,800/day × 1.25% conversion = 35 customers on Day 1. Monthly revenue = daily customers × average ticket × operating days. Fully documented in Section 09.

SECTION 06

Operations Plan

Location & Lease

142 Princess Street: 1,200 sq ft ground-floor retail, downtown Kingston. Lease at \$4,500/month gross for a 5-year term with a 5-year renewal option (max 3% annual escalation). LOI signed. Leasehold improvements – espresso bar buildout, millwork, flooring – budgeted at \$60,000.

Hours of Operation

DAY	OPENS	CLOSES	EST. TRANSACTIONS
Monday – Friday	6:30 AM	4:00 PM	90–130 per day
Saturday	7:30 AM	2:00 PM	50–70 per day
Sunday	Closed	–	–

Staffing Plan – Year 1

ROLE	START	HRS/WK	RATE	MONTHLY COST
Sarah Okonkwo (Owner/Operator)	Day 1	50	Sweat equity	\$0
Barista – Full Time #1	Day 1	30	\$17.50/hr	\$2,100
Barista – Full Time #2	Day 1	30	\$17.50/hr	\$2,100
Barista – Part Time	Month 4	20	\$17.00/hr	\$1,360
Shift Supervisor	Month 9	40	\$22.00/hr	\$3,520

All staff enrolled in Ontario WSIB. Owner draws no salary in Year 1; \$36,000 annual draw commences Year 2 once EBITDA exceeds \$35,000.

Management Team

LENDER NOTE

Management experience is the single most weighted factor in small business lending. The documentation below directly addresses the management risk category in commercial lending evaluation.

Sarah Okonkwo – Owner & General Manager

Eight years of progressive food service management, most recently as GM of two Starbucks locations in Kingston with combined annual revenue of \$2.4M and direct management of 18 staff. Full P&L; responsibility experience; advanced knowledge of espresso bar operations, inventory control, and labour scheduling.

Education & Certifications: B.Comm, Queen's University (2014). BDC Small Business Management Certificate (2023). Smart Serve Ontario (active). Ontario Food Handler Certification (active). First Aid & CPR (2023).

Advisory Support & Risk Mitigation

Supported by Marcus Webb CPA (15 years SME advisory; reviewed these projections) and Diane Ouellette, former BDC Account Manager. A \$500,000 key person life insurance policy will be established prior to opening. The Month 9 Shift Supervisor hire creates operational redundancy enabling the business to run without the owner for up to two weeks.

SECTION 08

Financial Plan Overview

Use of Funds

Total project cost: \$185,000. Owner contributes \$35,000 (\$25,000 cash + \$10,000 equipment). The remaining \$150,000 is the subject of this financing application.

USE OF FUNDS	AMOUNT	% OF TOTAL
Leasehold Improvements (bar build, millwork, flooring)	\$60,000	32.4%
Equipment (espresso, grinders, refrigeration, POS)	\$45,000	24.3%
Initial Inventory (coffee, food, packaging)	\$12,000	6.5%
Working Capital – First Six Months	\$33,000	17.8%
Pre-Opening Marketing & Signage	\$8,000	4.3%
Legal, Accounting & Permits	\$6,000	3.2%
Owner Equipment Contribution (in-kind)	\$10,000	5.4%
Owner Cash Contribution	\$11,000	5.9%
TOTAL PROJECT COST	\$185,000	100%

Loan Terms Requested

LOAN AMOUNT	TERM	RATE ASSUMPTION	EST. MONTHLY PAYMENT
\$150,000	7 years (84 months)	BDC Prime + 2% (~8.5%)	\$2,340/month

SECTION 09

Revenue Projections – Year 1 Monthly

Revenue ramps from \$9,331 in Month 1 to \$31,248 in Month 12 as the loyalty base matures and catering contracts are secured. Formula: daily customers × avg ticket × operating days.

MONTH	DAILY CUSTOMERS	AVG TICKET	OP. DAYS	REVENUE	CUMULATIVE
Month 1	35	\$8.60	31	\$9,331	\$9,331
Month 2	42	\$8.75	28	\$10,290	\$19,621
Month 3	50	\$8.90	31	\$13,795	\$33,416
Month 4	58	\$9.00	30	\$15,660	\$49,076
Month 5	65	\$9.10	31	\$18,356	\$67,432
Month 6	72	\$9.20	30	\$19,872	\$87,304
Month 7	80	\$9.30	31	\$23,064	\$110,368
Month 8	88	\$9.40	31	\$25,643	\$136,011
Month 9	95	\$9.40	30	\$26,790	\$162,801
Month 10	100	\$9.50	31	\$29,450	\$192,251
Month 11	102	\$9.50	30	\$29,070	\$221,321
Month 12	105	\$9.60	31	\$31,248	\$252,569
YEAR 1 TOTAL				\$252,569	

Year 1 total of \$252,569 is the conservative base case. The \$336,000 in Section 08 reflects the Year 2 fully-ramped run rate.

Year 2 & Year 3 Summary

REVENUE LINE	YEAR 1	YEAR 2	YEAR 3
Total Revenue	\$252,569	\$336,000	\$376,320
Beverages (65%)	\$164,170	\$218,400	\$244,608
Food (28%)	\$70,719	\$94,080	\$105,370
Catering (7%)	\$17,680	\$23,520	\$26,342
YoY Growth	—	+33%	+12%
Avg Monthly Revenue	\$21,047	\$28,000	\$31,360

YEAR 2 BASIS

110 customers/day × \$9.65 avg ticket × 316 operating days = \$336,034. Supported by 42% repeat-visit benchmark in comparable Kingston food service operations (KEDCO, 2023).

Sensitivity Analysis

SCENARIO	DAILY CUSTOMERS (RAMP)	YEAR 1 REVENUE	BREAK-EVEN
Bear Case (-20%)	28 to 84	\$202,055	Month 18
Base Case (this plan)	35 to 105	\$252,569	Month 14
Bull Case (+15%)	40 to 121	\$290,454	Month 11

SECTION 10

Expense Assumptions

All assumptions benchmarked against Ontario food service industry standards (Ontario Restaurant News, 2023). Conservative high-side estimates used throughout.

EXPENSE CATEGORY	MONTHLY AMOUNT	ANNUAL TOTAL	BENCHMARK / NOTES
Rent / Lease	\$4,500	\$54,000	Gross lease; LOI signed
Payroll (staff)	\$4,200 (opens)	\$~58,200	Ramps to \$8,980 by Month 9
Cost of Goods Sold	32% of revenue	\$~80,822	Coffee 28–30%; food 35%
Utilities	\$950	\$11,400	From landlord history
Merchant Fees (Square)	2.65% of rev.	\$~6,693	Standard Square Canada rate
Insurance (BOP + liability)	\$420	\$5,040	Intact Financial quote
Marketing & Advertising	\$350	\$4,200	Google + Meta + print
Accounting / Bookkeeping	\$250	\$3,000	Monthly retainer
Supplies & Packaging	\$380	\$4,560	Cups, lids, cleaning
Loan Repayment	\$2,340	\$28,080	8.5% over 84 months
Miscellaneous / Contingency	\$400	\$4,800	5% operating buffer

SECTION II

Profit & Loss Summary

EBITDA positive in Year 1. Net income after debt service positive in Year 3 following commencement of the owner draw in Year 2.

	YEAR 1	YEAR 2	YEAR 3
REVENUE	\$252,569	\$336,000	\$376,320
Cost of Goods Sold (32%)	(\$80,822)	(\$107,520)	(\$120,422)
GROSS PROFIT	\$171,747	\$228,480	\$255,898
Gross Margin	68.0%	68.0%	68.0%
Payroll	(\$58,200)	(\$96,000)	(\$100,800)
Rent / Lease	(\$54,000)	(\$54,000)	(\$55,620)
Utilities	(\$11,400)	(\$11,400)	(\$11,628)
Marketing	(\$4,200)	(\$5,000)	(\$5,200)
Insurance	(\$5,040)	(\$5,040)	(\$5,141)
Accounting	(\$3,000)	(\$3,000)	(\$3,060)
Supplies	(\$4,560)	(\$4,750)	(\$4,845)
Merchant Fees	(\$6,693)	(\$8,904)	(\$9,972)
Miscellaneous	(\$4,800)	(\$4,800)	(\$4,900)
TOTAL OPERATING EXPENSES	(\$151,893)	(\$192,894)	(\$201,166)
EBITDA	\$19,854	\$35,586	\$54,732
EBITDA Margin	7.9%	10.6%	14.5%
Loan Repayment	(\$28,080)	(\$28,080)	(\$28,080)
Depreciation (est.)	(\$8,500)	(\$8,500)	(\$8,500)
NET INCOME BEFORE TAX	(\$16,726)	(\$994)	\$18,152
Owner Draw	\$0	(\$36,000)	(\$36,000)
NET INCOME AFTER DRAW	(\$16,726)	(\$36,994)	(\$17,848)

SECTION 12

Cash Flow Projections

Cash flow demonstrates the ability to service the requested debt while maintaining adequate liquidity. A minimum cash reserve of \$8,000 (~2 weeks of operating expenses) is maintained throughout the 36-month projection period.

	Q1 YR 1	Q2 YR 1	Q3 YR 1	Q4 YR 1	YEAR 2	YEAR 3
Opening Cash	\$35,000	\$16,401	\$12,004	\$18,980	\$25,480	\$65,026
Revenue	\$33,416	\$48,888	\$67,497	\$85,768	\$336,000	\$376,320
Cost of Goods	(\$10,693)	(\$15,644)	(\$21,599)	(\$27,446)	(\$107,520)	(\$120,422)
Payroll	(\$12,600)	(\$14,700)	(\$18,500)	(\$22,000)	(\$96,000)	(\$100,800)
Rent	(\$13,500)	(\$13,500)	(\$13,500)	(\$13,500)	(\$54,000)	(\$55,620)
Other Operating	(\$8,202)	(\$8,461)	(\$8,902)	(\$9,222)	(\$38,374)	(\$39,274)
Loan Repayment	(\$7,020)	(\$7,020)	(\$7,020)	(\$7,020)	(\$28,080)	(\$28,080)
CLOSING CASH	\$16,401	\$12,004	\$18,980	\$25,480	\$65,026	\$62,170
Minimum Reserve	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Surplus Above Reserve	\$8,401	\$4,004	\$10,980	\$17,480	\$57,026	\$54,170

CASH FLOW NOTE

The business does not fall below the \$8,000 minimum reserve at any point in the 36-month projection. The Q1 Yr 1 dip to \$16,401 reflects pre-opening costs absorbed by the owner's \$35,000 equity contribution.

SECTION 13

Loan Repayment Schedule & DSCR

\$150,000 at 8.5% over 84 months. Monthly payment: \$2,340. Total interest over full term: \$46,560.

PERIOD	OPENING BALANCE	PAYMENT	INTEREST	PRINCIPAL	CLOSING BALANCE
Month 1	\$150,000	\$2,340	\$1,063	\$1,277	\$148,723
Month 12	\$135,800	\$2,340	\$961	\$1,379	\$134,421
Year 2 End	\$119,200	\$2,340	\$844	\$1,496	\$101,000
Year 3 End	\$101,000	\$2,340	\$715	\$1,625	\$81,800
Year 5 End	\$58,200	\$2,340	\$412	\$1,928	\$35,000
Year 7 End	\$2,340	\$2,340	\$17	\$2,323	\$0

Debt Service Coverage Ratio

DSCR = Net Operating Income ÷ Annual Debt Service. Minimum threshold for most Canadian commercial lenders: 1.25x.

YEAR	EBITDA	ANNUAL DEBT SERVICE	DSCR	ASSESSMENT
Year 1	\$19,854	\$28,080	0.71x	Below threshold – working capital reserve covers shortfall
Year 2	\$35,586	\$28,080	1.27x	Exceeds 1.25x minimum
Year 3	\$54,732	\$28,080	1.95x	Strong coverage; significant headroom

YEAR 1 DSCR COMMENTARY

Below-threshold DSCR in Year 1 is expected in a launch scenario. The \$35,000 owner contribution and \$33,000 working capital reserve service debt through the 14-month ramp. DSCR exceeds lender minimums from Year 2 onward.

SECTION 14

Risk Analysis & Mitigation

Risk identification and mitigation planning demonstrates operational preparedness and reduces perceived lender exposure.

RISK	LIKELIHOOD	IMPACT	MITIGATION STRATEGY
Revenue slower than projected	Medium	High	\$33K working capital reserve; personal line of credit as backstop
Supplier price increase (coffee)	Medium	Medium	Dual-supplier agreement; quarterly pricing reviews; menu pricing flexibility
New competitor enters market	Low	Medium	Loyalty program reduces churn; 5-yr lease secures location advantage
Staff turnover	High	Medium	Competitive wages + tips; Shift Supervisor by Month 9 creates redundancy
Equipment failure (espresso)	Low	High	Maintenance contract + \$8K reserve; rental contingency with local supplier
Economic downturn	Low	High	Office catering diversifies revenue; price anchored below Starbucks
Lease not renewed at Year 5	Low	High	5-year renewal option negotiated; ownership pathway explored at Year 3
Owner illness / incapacity	Low	Very High	\$500K key person insurance; GM-level hire by Year 2; documented SOPs

SECTION 15

Implementation Milestones

Critical path from financing approval to operational maturity. Each milestone includes a measurable success criterion.

TIMELINE	MILESTONE	RESPONSIBLE	SUCCESS CRITERION
Month -3	Financing approved	Sarah + Lender	Funds advanced to account
Month -3	Lease signed – 142 Princess St	Sarah + Lawyer	Executed lease in hand
Month -2	Contractor selected; buildout begins	Sarah	Contract signed; permit pulled
Month -2	Equipment ordered	Sarah	POs placed; delivery confirmed
Month -1	Baristas hired (x2)	Sarah	Offer letters signed
Month -1	Supplier agreements finalized	Sarah	Coffee + food agreements executed
Month -1	Pre-opening marketing live	Sarah	IG: 200+ followers; list: 100+
Month 0	Soft launch event (80 guests)	Sarah	Event held; media coverage secured
Month 1	Grand opening	Sarah	35 daily customers by Week 2
Month 3	Monthly cash flow positive	Sarah	Net positive operating cash flow
Month 4	Part-time barista hire	Sarah	Staff added to payroll
Month 6	5 office catering accounts	Sarah	Recurring catering revenue active
Month 9	Shift Supervisor hired	Sarah	Owner < 45 hrs/wk
Month 12	Year 1 review with accountant	Sarah + M. Webb CPA	Actuals vs. plan reviewed
Year 2 Q1	Owner draw commences (\$3K/mo)	Sarah	Sustainable from cash flow
Year 3 Q4	Second location feasibility report	Sarah	Report completed

SECTION 16

Appendix & Documented Assumptions

Supporting Documents

DOCUMENT	STATUS
Signed Letter of Intent – 142 Princess Street Lease	Available
Pilot Coffee Roasters Wholesale Pricing Agreement	Available
Golden Grain Bakery Supplier LOI	Available
Fresh Route Foods Supplier LOI	Available
Intact Financial Business Owner Policy Quote	Available
Sarah Okonkwo – Management Resume	Available
BDC Small Business Management Certificate (2023)	Available
Equipment Quotes – 2 Suppliers	Available
Kingston BIA Foot Traffic Count Report (2023)	Available
Personal Net Worth Statement	On request
Personal Tax Returns – Last 2 Years (TI)	On request
3 Months Personal Bank Statements	On request
Key Person Insurance Confirmation	Upon approval

Key Financial Assumptions

ASSUMPTION	BASIS / DOCUMENTATION
Daily customers – ramp	35/day (Month 1) to 105/day (Month 12). BIA foot traffic 2,800/day × 1.25% conversion.
Average transaction value	\$8.60 (Month 1) to \$9.60 (Month 12). Benchmarked vs. comparable Kingston independents.
COGS % of revenue	32%. Coffee 28–30% (Pilot pricing confirmed); food 35% (industry average).
Revenue growth – Year 2	33% to \$336,000. Loyalty ramp (42% repeat rate, KEDCO 2023) + catering contracts.
Revenue growth – Year 3	12% to \$376,320. Conservative post-maturity organic growth.
Interest rate	8.5% (BDC Prime + 2%). Based on posted BDC SME rate, April 2024.
Minimum cash reserve	\$8,000. Approximately 2 weeks of total operating expenses.

Lease rate	\$4,500/month gross. LOI signed with landlord.
Operating days/year	316 days. Monday–Saturday, 52 weeks, less Ontario statutory holidays.
Owner draw	\$0 Year 1. \$36,000/year from Year 2 when EBITDA exceeds \$35,000.

This business plan has been prepared by the business owner for the purpose of securing financing. Financial projections are forward-looking statements based on assumptions believed to be reasonable at the time of preparation. Actual results may differ materially. All figures in Canadian dollars. Prepared with the assistance of LenderReady (lenderready.ca) and approved by the owner.

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